COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department on its own Motion into the Appropriate Pricing, based upon Total Element Long-Run Incremental Costs, for Unbundled Network Elements and Combinations of Unbundled Network Elements, and the Appropriate Avoided Cost Discount for Verizon New England, Inc. d/b/a Verizon Massachusetts' Resale Services in the Commonwealth of Massachusetts.	)	D.T.E. 01-20

Comment of Brahmacom, Inc. on Verizon Compliance Filing

We were surprised that Verizon's compliance filing produced Unbundled Network Element rates that are among the highest in the country. In particular, we are concerned with the rates for unbundled loops, which are a requirement for retail operation, particularly our UNE-Loop model. Massachusetts is a densely-populated state which should have among the lowest costs in the country, yet these "compliance" rates are among the highest in the country, and higher on average than in the more rural Northern New England states. The Department should be suspicious of any reported cost which is dramatically higher in Massachusetts than other states.

In examining the (public) spreadsheets, we have noted what appear to be errors, either in applying the TELRIC methodology or in actual use of the spreadsheet program itself. We have not gone over all pages in detail, but will give examples. We suggest that the Department order a detailed independent review of Verizon's submission to be certain of its accuracy.

In the page "ma sum 3 or 4 cells" in Part B-1, it appears that Integrated DLC is assumed for 67 percent of loops and Universal for 33 percent. These are the Department's selected percentages for that proportion of loops that are served by DLC. But it seems that Verizon applied DLC to 100% of lines. This does not comport with any rational methodology. In a forward-looking model based on CSA, DLC is normally applied to loops more than 12 kilofeet long.

In this proceeding, the Department indicated that it was willing to accept a "100% fiber feeder" model for the Metro zone, which would have the strange effect of using a DLC located somewhere outside of the central office to serve retail subscribers who are within a few kilofeet of the central office. Thus by that method, the Metro rate may technically comport with the Deparment's order, whether or not it is proper TELRIC. However, the Department stated that in the Urban zone, fiber feeders apply beyond 9000 feet; longer copper loops should be acceptable in the Suburban and Urban zones. Under no real forward-looking circumstances are 100% of loops statewide behind DLC. This error may be largely responsible for the incredibly high loop rates.

We also question the inputs used for unbundled multiplexing. The filed rates are far higher than those in most other states. The UNE monthly rate for an M13 is roughly equivalent to the entire capital cost of this product on the open market! The central office multiplexing UNE is often required in order to avoid gratuitous collocation. Not being parties to the inputs that are under the protective order, we cannot trace the entire source of this rate, other than the stated investment of $9762 per DS3 plus $349 per DS1 port, but we suspect that it is making use of a far more complex or expensive product than is actually necessary in order to achieve such a high price. We note, for instance, a web site (http://www.microstorm.com/hardware/partinfo-id-469843.html) quoting a new Adtran M2800 redundant M13 multiplexor for $2447. Various members of this family are sold fully populated for under $3000, typical for the category. Prices for the M10 element and DS0 EEL, which also soared in this filing, may also be impacted by this type of error.

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